
ANNUAL REPORT

1966

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**Quebec
Chibougamau
Goldfields
Limited**

(No Personal Liability)

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

Directors

F. J. Dolan
R. F. Dooley
K. J. Forbes
E. D. Hervey
P. M. Malouf
J. K. Riches
G. E. Hervey

Officers

P. M. Malouf *President*
K. J. Forbes *Vice-President*
E. D. Hervey *Secretary-Treasurer*
J. K. Riches *Assistant Secretary*
F. J. Dolan *Assistant Treasurer*

Registrar and Transfer Agent

Guaranty Trust Company of Canada
Montreal, P.Q. and Toronto, Ont.

Consulting Engineer

J. C. Shaw, Eng.

Auditors

Ernst & Ernst
Montreal, Quebec

Head Office

Suite 911, 1155 Dorchester Boulevard West,
Montreal 2, Quebec

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

Directors' Report

To the Shareholders:—

Your Directors submit herewith the Annual Report of the Company for the year ended December 31st, 1966, together with the Auditor's Report and Financial Statements.

Mining at the Doré Lake property resulted in an operating profit of \$45,920 being obtained from operations carried out by Patino Mining Corporation. Your Company's share of profits amounted to 50% under the terms of the agreement or a total of \$22,960.

The following tabulation shows the results for the operation since milling commenced in January of 1963.

		Year ending December 31,			
		1966	1965	1964	1963
Tons Milled		21,804	45,958	80,117	51,243
Grade of Ore Milled					
Copper	Per cent	1.41	1.71	1.90	2.01
Gold	ounces/ton.	0.082	0.099	0.088	0.085
Silver	ounces/ton.	0.88	1.23	1.17	1.27
Production					
Copper	lbs.	562,656	1,423,393	2,856,290	1,948,996
Gold	ounces	1,175	3,087	5,285	3,298
Silver	ounces	18,306	40,215	70,102	34,191
Smelter Returns (\$)	. . . . .	307,251*	598,366*	988,736*	605,943*
Total Costs (\$)	. . . . .	262,071	452,774	605,102	700,224
Operating Profit (Loss) (\$)	. . . . .	45,920	145,588	383,634	(94,281)

*Subject to Final Smelter Adjustments.

By year end most stopes had been cleaned out and the salvage of remaining broken ore and equipment was underway.

Since the beginning of 1967 a diamond drill program has tested the vertical continuity of the "A" zone for some 500 feet below the 800-foot level. This was proven but mineable ore was not outlined and the decision to terminate mining in the "A" zone was taken.

Patino Mining have advised your Company that a study has been made of the feasibility of mining a small tonnage of ore from the "H" zone and plans are underway to proceed with this program.

In January and February of 1967 the Company, jointly with United Obalski Mining Company Limited and Opemisca Explorers Limited, staked a total of one hundred and twenty (120) 40 acre claims covering an area of 4,800 acres in Saguenay Township in the St. Simeon Uranium area of the Lower St. Lawrence region of Quebec. Prospecting of the pegmatite dykes which occur on the property will be followed by scintillometer survey during the coming summer season.

During 1966 your Company reviewed numerous mining projects and will continue to do so in its endeavour to make profitable use of the funds available.

Respectfully submitted,

On behalf of the Board,

PHILIP M. MALOUF, Eng.
President.

Montreal, P.Q.

May 30, 1966.

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

BALANCE SHEET

December 31, 1966

Assets

Current Assets

Cash	\$ 62,153.01
Deposits with trust companies	251,000.00
Marketable securities — at cost and accrued interest (quoted market value \$379,000.00)	422,855.20
Miscellaneous accounts receivable, deposits and prepaid expenses	7,402.81
TOTAL CURRENT ASSETS	\$ 743,411.02

Other Assets

Mortgage loan receivable, 10% interest, due January 21, 1968.	\$ 20,000.00
Investment in and advances to other mining companies	982.76
TOTAL OTHER ASSETS	20,982.76

Fixed Assets

Mining concessions — Notes A and B	\$ 66,742.96
Mine buildings and equipment — at cost	\$332,471.23
Less allowance for depreciation.	98,111.68
	234,359.55
TOTAL FIXED ASSETS	301,102.51

Deferred Charges

Development and administrative	\$1,602,313.20
Deduct amortization	1,402,025.55
	\$ 200,287.65
Supplies	11,058.00
Deposit against power contract.	5,810.61
Organization costs.	4,362.36
TOTAL DEFERRED CHARGES	221,518.62
	\$1,287,014.91

To the Shareholders,
Quebec Chibougamau Goldfields Limited
(No Personal Liability)

We have examined the financial statement of Quebec Chibougamau Goldfields Limited (No Personal Liability) for the year ended December 31, 1966. We also examined the summary of source and application of funds. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

SHEET

1966

Liabilities

Current Liabilities

Accounts payable \$ 5,386.36

Capital

Capital stock — par value \$1.00 a share:

Authorized — 7,000,000 shares

Issued for mining claims — 1,459,115 \$1,459,115.00

Less discount on shares. 1,403,087.54 \$ 56,027.46

Issued for cash — 4,925,005 shares \$4,925,005.00

Less discount on shares. 2,220,910.21 2,704,094.79

\$2,760,122.25

Deficit 1,478,493.70 1,281,628.55

Notes to financial statement appear on page 8.

Approved on behalf of the Board:

P. M. MALOUF, *Director.*

E. D. HERVEY, *Director.*

\$1,287,014.91

In our opinion, the accompanying balance sheet and statement of operations and deficit present fairly the financial position of Quebec Chibougamau Goldfields Limited (No Personal Liability) at December 31, 1966, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and as shown by the books of the Company. It is also our opinion that the accompanying summary of source and application of funds for the year ended December 31, 1966, presents fairly the information shown therein.

ERNST & ERNST

May 30, 1967.

Chartered Accountants

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

Statement of Operations and Deficit Year ended December 31, 1966

	PERIOD TO JUNE 30 1966	PERIOD TO DEC. 31 1966	TOTAL
Income:			
Share of net profit from mining concession	\$ 22,960.45	\$ —0—	\$ 22,960.45
Interest and dividends earned	13,618.66	19,445.19	33,063.85
Other	105.00	310.00	415.00
	<u>\$ 36,684.11</u>	<u>\$ 19,755.19</u>	<u>\$ 56,439.30</u>
Expenses relating to mining production:			
Engineers fees and expenses	\$ 5,448.96	\$ 1,079.87	\$ 6,528.83
Transportation and surface expenses	301.49	575.40	876.89
Administrative expenses:			
Salaries	1,050.00	2,238.15	3,288.15
Office	3,695.73	3,260.14	6,955.87
Business taxes	4,109.28	10.00	4,119.28
Reports to shareholders	1,149.64	1,730.86	2,880.50
Stock transfer	2,384.24	304.89	2,689.13
Miscellaneous	346.38	429.59	775.97
Professional fees	—0—	1,275.00	1,275.00
Directors fees	—0—	600.00	600.00
	<u>\$ 18,485.72</u>	<u>\$ 11,503.90</u>	<u>\$ 29,989.62</u>
Operating profit before amortization, depreciation and other income	<u>\$ 18,198.39</u>	<u>\$ 8,251.29</u>	<u>\$ 26,449.68</u>
Amortization, depreciation and other income:			
Amortization	\$200,289.65	\$200,289.65	\$ 400,579.30
Depreciation	16,109.36	16,109.36	32,218.72
	<u>\$216,399.01</u>	<u>\$216,399.01</u>	<u>\$ 432,798.02</u>
Deduct-profit on sale of investments	—0—	747.28	747.28
	<u>\$216,399.01</u>	<u>\$215,651.73</u>	<u>\$ 432,050.74</u>
NET LOSS FOR THE PERIOD	<u>\$198,200.62</u>	<u>\$207,400.44</u>	<u>\$ 405,601.06</u>
Deficit at December 31, 1965			1,072,892.64
		DEFICIT AT DECEMBER 31, 1966	<u><u>\$1,478,493.70</u></u>

Notes to financial statement appear on page 8.

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

Summary of Source and Application of Funds

Year ended December 31, 1966

Funds provided:

Gross income from metal recoveries, investments and other income	\$ 56,439.30
Refund of power deposit.	2,718.49
Profit from sale of investments	747.28
	<u>\$ 59,905.07</u>

Funds applied:

Expenses related to mining production and administration	\$ 29,989.62	
Advance to other mining company	652.00	
Mortgage loan receivable	20,000.00	
Increase in fixed assets	3,845.60	54,487.22
Increase in net current assets.		<u>\$ 5,417.85</u>

	December 31, 1965	December 31, 1966	
Current assets	\$733,536.77	\$743,411.02	
Current liabilities	929.96	5,386.36	
	<u>\$732,606.81</u>	<u>\$738,024.66</u>	<u>\$ 5,417.85</u>

QUEBEC CHIBOUGAMAU GOLDFIELDS LIMITED

(No Personal Liability)

Notes to Financial Statement December 31, 1966

Note A — Mining concession in the Township of Mackenzie acquired for:

209,115 shares of capital stock at valuation placed on the shares by the Directors .	\$ 31,027.46
Cash.	35,715.50
	<u>\$ 66,742.96</u>

Note B — By agreement effective May 1, 1962, the Company has leased to Copper-Rand Chibougamau Mines Limited (No Personal Liability) the mining concession referred to in Note A and all buildings and equipment thereon, for a period of ninety-nine years. The property is in production and the Company receives fifty percent of the net profit from operations, as defined in the agreement.

Exemption from income tax on this mining income expired on June 30, 1966.

